

Washington, DC -- Continuing his work to protect area families from financial uncertainty, U.S. Rep. Michael Arcuri (NY-24) voted today for legislation, which he cosponsored, to prevent credit card companies and big banks from using predatory practices that take advantage of local families.

“Too often credit card companies rely on the fine print to take advantage of families,” **Arcuri said**. “It is time to end the predatory practices that big corporations have been using with credit cards by instituting much needed reform and transparency. I will continue to fight to ensure that my constituents are not taken advantage of by big banks and credit card companies by supporting legislation like the Credit Cardholder’s Bill of Rights.”

The Credit Cardholder’s Bill of Rights Act of 2009 (H.R. 627), which passed the House of Representatives today with bipartisan support, contains sweeping reforms to protect credit card owners. Under the provisions of the bill, a credit card company could only increase the interest rate on a customer’s existing balance if payment is more than 30 days late or if there were a pre-existing scheduled increase (such as the end of a promotional rate period). Currently, credit card companies can increase interest rates for a customer’s balance when there is any late payment.

To protect local consumers, The Credit Cardholder’s Bill of Rights Act:

- Requires 45-days advanced notice of interest rate increases;
- Requires Credit Card Companies to use 5 p.m. local time as the cut-off for receipt of payment on the due date. Currently, some companies use 10 am as the cut-off, meaning a payment could arrive on the due date and still be considered late, triggering finance charges;
- Requires credit card companies to apply payments to debt with the higher interest rate – allowing consumers to pay off debt more quickly;
- Prohibits calculation of interest more than once per monthly cycle;
- Requires monthly statements to be sent 21 days before their due date, rather than the current minimum of 14 days that many companies use; and
- Prohibits minors under age 18 from being granted credit cards, unless they are financially independent.

In the 110th Congress, Arcuri joined with fellow New York Representative Carolyn B. Maloney (D-Manhattan) to introduce The Credit Cardholder's Bill of Rights (H.R. 5244), which also passed the House with bipartisan support.

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